



CITY OF FALLS CHURCH

Office of Communications

703-248-5003 (TTY 711)
FAX 703-248-5146
publicinfo@fallschurchva.gov

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CONTACT:
Nicole Gobbo
703-248-5210 (TTY 711)
ngobbo@fallschurchva.gov

Falls Church City Council Adopts Fiscal Year 2007 Budget

Council places City on solid financial footing for the long term, increases pay for teachers, expands affordable housing preservation, and provides 2-cent real estate tax cut

FALLS CHURCH, VA. – The Falls Church City Council unanimously adopted the fiscal year 2007 budget during its Monday, April 24, 2006 regular meeting. The FY 2007 fiscal year runs from July 1, 2006 through June 30, 2007. The \$67 million FY 2007 budget is balanced within revenue estimates and maintains the City's financial security and high-quality services. The budget portrays modest increases with a 3.4 percent increase in City operating expenses over FY 2006 and a 10.48 percent increase in the transfer to schools, for an overall increase of 7.65 percent over FY 2006.

The budget includes a 2-cent real estate tax rate reduction, dropping the rate from \$1.03 to \$1.01 per hundred dollars of assessed value. The rate has been lowered for the third consecutive year for a total 12-cent cut since 2003.

The budget enhances the City's efforts to preserve affordable housing, and lays the groundwork for a larger public-private partnership over the next two years. The budget funds a new full-time affordable housing specialist to focus solely on affordable housing issues in the City. Additionally, the Capital Improvements Program contains funding in the amount of \$2.15 million over two years to undertake a new effort to preserve affordable housing in the City. This includes \$150,000 in FY 2007 for consultant services to develop an affordable housing project proposal and \$2 million in FY 2008 for project implementation. It is anticipated that the project would be undertaken with a non-governmental partner (private or nonprofit), possibly procured through the Public-Private Education Act (PPEA).

The budget includes more than \$1,937,700 in pay increases for public school teachers to hire and maintain high-quality teachers and staff to support the City's highly ranked public school system. The funding will provide all eligible school employees with a step increase and a 4.1 percent cost-of-living adjustment, it will adjust certain salary scales to maintain regional competitiveness, and it will expand tuition reimbursement programs.

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The Water and Sewer Funds are balanced within estimated revenues with no rate change. The water rate will remain at \$3.03 per thousand gallons in FY 2007 and the sewer rate will remain at \$6.51 per thousand gallons. The Council also approved a number of new initiatives to ensure the City's Water and Sewer Funds maintain sound financial footing for the long term. The budget includes a reduction in Water Fund contributions from \$4.7 million in FY 2006 to \$2.5 million in FY 2007 and includes an \$800,000 reduction in administrative charges.

Public safety initiatives in the budget include funding to update and/or purchase new equipment in a variety of areas to support gang and community policing, internal affairs, and equipment for in-car video and audio.

The final adopted budget will be made available on the City's Web site at www.fallschurchva.gov in the coming days.

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